

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington St., Suite 301
Indianapolis, IN 46204
(317) 233-0696
iga.in.gov

FISCAL IMPACT STATEMENT

LS 6116
BILL NUMBER: HB 1016

NOTE PREPARED: Apr 27, 2023
BILL AMENDED: Apr 26, 2023

SUBJECT: Police and Fire Merit Systems.

FIRST AUTHOR: Rep. Pressel
FIRST SPONSOR: Sen. Sandlin

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill allows a fire protection district or fire protection territory to establish a merit system. Provides that unless a resolution or ordinance to establish a merit system is rejected not later than December 31, 2024, a merit system is established on January 1, 2025, for eligible: (1) city and town police and fire departments and township fire departments; and (2) fire protection districts and fire protection territories. Provides that the merit system may be dissolved after January 1, 2025. Requires a unit, district, or territory to vote to either retain or dissolve the merit system after January 1, 2029, and before January 31, 2029. Repeals a provision containing definitions and moves the definitions to another location.

Effective Date: July 1, 2023.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Summary:* This bill could result in the establishment of fire and police merit systems by most units that do not currently have them. At least 95 fire departments in Indiana meet the professional staffing and resident population requirements of the bill, of which at least 33 have already adopted a merit system. The number of police merit systems and eligible agencies is unknown at this time but is estimated to reflect similar trends. The creation and administration of these systems will impose initial and ongoing workload increases and, in some cases, will have direct monetary costs. These costs cannot be accurately estimated due to wide variations in the structure and administration of fire and police merit systems.

This bill also requires units with merit systems to hold a vote in January of 2029 to either retain or dissolve the merit system. This requirement is within the routine functions of these units.

Additional Information: A merit system creates a merit board that makes or advises on decisions regarding personnel hiring, promotion and discipline within a fire or police department. The merit board typically consists of elected or appointed members with experience in public administration and public safety, though current emergency services personnel are not usually eligible to serve. Board members may be compensated or may be volunteers, and the size and makeup of the board will vary.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Local units that employ at least twelve full-time firefighters or police officers, serve a resident population of at least 20,000 people, and have not yet adopted a fire or police merit system.

Information Sources: Tony Murray, Professional Firefighters Union of Indiana.

Fiscal Analyst: Alexander Raggio, 317-234-9485.